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Did You Know That...

Federal Crop Insurance Protects Your Corn Investment?

A BUSINESS PROPOSITION

Federal Crop Insurance is a business proposition. It provides protection of the crop investment against loss from unavoidable causes such as weather, insects, and disease. For this protection, the farmer pays a premium. His investment is protected every year that the policy is in force and he collects an indemnity any year that his crop is destroyed or so severely damaged that it does not return the amount for which he is protected.

This protection is available to most operators and landlords; however, some land and a few producers are not eligible.

The producer must make written application for Federal Crop Insurance protection on his corn crop. If his application is accepted, he is issued a crop insurance policy that continues in force until canceled by him or the Corporation. The insured may cancel his policy any year before the deadline date specified in the policy. The policy continues in force at the insured's decision and saves those producers who realize that it is sound business to protect their crop investments the bother of making a new application every year.

The policy covers all insurable acreage in the county in which the insured has an interest at planting time. It is a "money-back" guarantee if crop disaster strikes . . . and crop disaster can strike any farm any year. . . . It may not, but it can.

COMPLETE PROTECTION

A Federal Crop Insurance policy completes your protection. It insures your crop investment against loss from the natural hazards that man cannot

control. You protect yourself through good farming practices. (The policy does not insure against loss due to neglect or poor farming practices.) Price supports protect your profit in the years when you get a crop. Crop Insurance protects what you invest in corn production in an effort to produce a profitable crop.

PROTECTION BY UNITS

While one application will cover all the insurable acreage in which the insured has an interest at planting time, this acreage may involve more than one insurance unit. Protection is provided by insurance units and losses are settled separately on each insurance unit.

All insurable acreage in the county in which the insured has 100 percent interest (including land rented for cash or a fixed number of bushels) is one insurance unit. All acreage which has the same owner and the same operator forms one insurance unit. A producer will have only one unit in which he has 100 percent interest in the crop, but will have as many insurance units as he has landlords or tenants in the case of share rentals. Determination of units is based on the insured's interest at the time of planting.

AMOUNT OF PROTECTION

The amount of protection for an insurance unit is determined by the number of acres planted to corn on the unit and the coverage per acre which has been established for the area.

The coverage is established in three progressive stages, increasing as the investment in the crop increases. The coverage for the first stage applies

ODUCTION COSTS THAT YOU MUST RISK TO

only when acreage is released at the insured's request and planted to a substitute crop, the second to unharvested acreage and the highest to acreage harvested or to be harvested.

DISCOUNT ON PREMIUM

The cost of the protection is determined by the number of acres planted on insurable land, the premium rate per acre for the area, and the insured's interest in the crop.

The premium is discounted 5 percent if the insured reports his acreage and pays his premium before the discount date specified in the policy.

A crop insurance premium is a part of the farm operating costs just the same as seed, fertilizer, land preparation, cultivation, harvesting, etc. It is a deductible operating cost for income tax purposes.

INDEMNITIES

An indemnity is due the insured when due to loss from unavoidable causes the production from an insurance unit is less than the crop insurance protection for the unit. Indemnities are paid promptly by Government check after the loss is adjusted and the loss claim signed by the insured.

The insured is required to report any severe damage to the crop promptly after it occurs. If a loss is not evident until the time of harvest, it must be reported within 15 days after harvest.

Act Now

Get complete details from your County Office.

RODUCE CORN

YOUR OPPORTUNITY AND YOUR PROGRAM

As a progressive farmer, you will want "All-Risk" Federal Crop Insurance protection to guarantee the return of your investment if what can happen does happen to your crop this year, or any year. . . . You will recognize that your premium underwrites your other operating expenses against crop catastrophes that you hope will never strike your farm.

Federal Crop Insurance is provided through the Government since this needed all-risk protection is not otherwise available to farmers. It operates on a nonprofit basis with premium rates established to cover losses paid over a period of years. These rates will be adjusted periodically by the actual loss experience in the county. Congress provides the administrative expenses of this program so crop insurance actually is available to you at less than cost.

When premiums exceed losses paid in a county, the premium surplus is credited to the county's reserve. Whenever this reserve exceeds the reserve requirement established for the county, the excess reserve is returned to participating farmers through a premium reduction the following year. Individual producers get a 25 percent premium reduction if they do not have a loss in seven consecutive years of crop insurance participation, or if their individual reserve equals the current year's coverage.

UNITED STATES
DEPARTMENT OF AGRICULTURE
The Federal Crop Insurance Corporation

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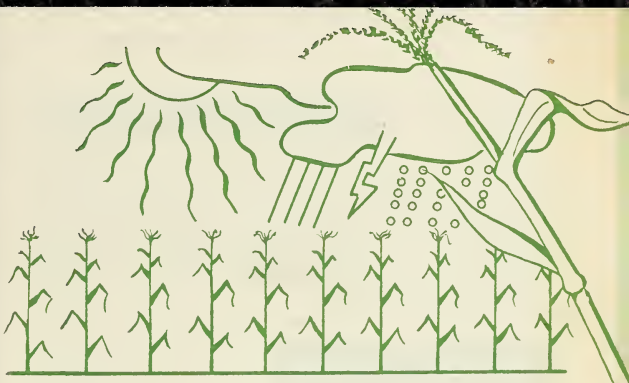

CORN GROWS UNDER THE OPEN SKY SO IT IS SUBJECT TO MANY RISKS

No crop grows under the open sky without risk of loss from many unavoidable production hazards that man cannot control. Man can't stop or start the rain, hail, wind, frost, lightning, etc. . . . He can't eliminate all plant diseases or be sure that he can control all insect pests. . . . He doesn't even know all the things that can destroy his crops. There are still unavoidable causes of loss that can occur for the first time to man's knowledge just like there are men who can have a crop disaster for the first time within their farming experience. Where crop disasters strike, they destroy crops without regard for the farmer's ability.

Federal Crop Insurance protects against the unknown—the many production risks that can destroy any crop on any farm any year. They may not, but they can. It is protection against what might happen to your crop investment and does happen to many every year.

It is just common sense and good business to protect what you invest. You have a more stable farming operation whether your investment is profit from previous years or money borrowed from the bank if you have a Federal Crop Insurance policy. It increases your operating costs only slightly to protect your investment.